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## PROGRAM NARRATIVE

215 ND UNIVERSITY SYSTEM

Date: 12/13/2006

Time: 11:43:43

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| Program: SYSTEM GOVERNANCE | Reporting Level: 00-215-100-00-00-00-00000000 |
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## PROGRAM PERFORMANCE MEASURES

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the six cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 6<sup>th</sup> annual accountability measures report is scheduled for completion in December 2006, and will be the most current information available to the 2007 Legislative Assembly.

This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

## PROGRAM STATISTICAL DATA

The NDUS Office provides the following services:

1. Advise the Board and campuses on system policy development and administration, including institutional missions, program offerings, student affairs, personnel and fiscal operations, budget development, computing, capital construction, financial aid and all other administrative and academic functions.
2. Act as representatives of the North Dakota University System to governmental bodies and the general public.
3. Administer student grant programs.
4. Administer system grant programs.
5. Monitor legal issues applicable to higher education.

See the Agency Overview for major accomplishments of the Board and System Office.

CTEC formulates and recommends appropriate policies and procedures relating to vocational-technical education and training in postsecondary institutions. The Council develops programs, communication strategies, and financial considerations relating to vocational-technical education. Since the CTEC Council was formed, the following accomplishments have been made:

1. Key components of success - The key components of successful community colleges have been identified and used to provide focus and direction for the two-year campuses within the NDUS. The components are consistent with the core mission of community colleges nation-wide.
2. Matrix of programs offered - A matrix of programs offered was created to identify and determine on which campus, or system-wide, academic programs are currently being offered or could potentially be offered; gaps and needs for new programs; and opportunities for collaboration among campuses. The primary result has been increased collaboration and the avoidance of unnecessary duplication in offering programs and services among the community colleges.
3. Expedited program approval process - Changes have been made to the program review process which reduces the time required to obtain approval for programs to be offered. The changes allow more rapid response to the changing educational needs of business and industry, particularly in the associate and certificate program degree areas.
4. General education core transfer - A core of general education course requirements was developed which, when completed at one NDUS institution, satisfies the general education requirements at any of the other NDUS institutions.

5. Common course numbering - Provided initial leadership in developing the common course numbering system among colleges and universities to improve the transfer of courses and credits within the university system.
6. Plan for workforce development - A long-range plan for the NDUS in identifying and responding to workforce training needs was developed and approved by the SBHE in 1996. The plan placed a priority on developing a more responsive workforce training system. The customized training network and the new Workforce Training System are outgrowths of this plan.
7. State-wide workforce development system - Assisted the state-wide Task Force on Workforce Development and Training in designing and implementing a more effective and responsive workforce development system for the state. Phase I of the new Workforce Training system was successfully launched during the 1999-2001 biennium. Phase II expansion to the more rural/outlying areas of the state was implemented during the 2001-2003 biennium. Results of the new workforce training system are significant. For example, the number of businesses that contracted for training through the new workforce training system increased from 518 in FY2000 to 1,818 in FY2005. The number of employees receiving training also increased significantly, from 7,463 in FY2000 to 8,112 in FY2005. Satisfaction levels for both businesses that contracted for training and employees receiving training have been above 90% since the system began operating.
8. Baccalaureate degree in technical areas - Arrangements were made with Valley City State University to provide a baccalaureate degree for instructors in the trade, technology and health areas. This degree addresses a need in the career and technical education areas where instructors have technical knowledge and experience but lack the conceptual background and fundamentals for excellence in teaching.
9. Faculty development - A grant from the Bush Foundation was obtained through the Community College Consortium for faculty development. The focus was upon improving teaching and advising, with special emphasis on improvements in the use and application of technology.
10. Program enhancement focus - Through cooperation and funding provided by the State Board for Career and Technical Education, program enhancement funds are used to assure that educational programs in the trades, technologies, and health areas remain current and to assist in the start-up of new technology programs.
11. FINDET (Follow-Up Information on North Dakota Education and Training) - CTEC continues to provide leadership, in collaboration with several other state agencies and organizations to develop a system of obtaining follow-up information on graduates for program planning and advising. FINDET provides information on the proportion of graduates remaining in North Dakota, retention of out-of-state students, earning levels, and placements of graduates by program and degree level.
12. School-to-Work - Provided support to the School-to-Work program in North Dakota focused on collaboration and cooperation between secondary and post-secondary institutions in sustaining the desired benefits identified from School-to-Work demonstration projects.
13. Program approval process - Provided initial leadership, in cooperation with Vice Chancellor Hillman, in developing a two-stage program approval process that was subsequently adopted by the SBHE. The process allows the SBHE to (stage one) review program requests for comments before campuses move forward to requesting final board approval (stage two).
14. Information technology - Cooperated with the North Dakota Workforce Development Council, the Information Technology Department, and the North Dakota University System in a jointly funded research project to identify the information technology education required to meet the current and growing demand for information technology workers. The study was completed in the fall of 2002.
15. Practical Nursing training - CTEC provided leadership in developing and implementing collaboration for improving the delivery of Practical Nursing training throughout the state.
16. Registered Nursing training - The community colleges collaborated in developing an associate degree Registered Nursing program and are delivering it throughout the state.
17. Common software - CTEC provided leadership in selecting and cooperatively funding common software (AceWare) for all four workforce training quadrants to facilitate collaboration among the workforce training regions.
18. Bellwether Award - Prepared a proposal regarding the Roundtable on Higher Education and was successful in winning the Bellwether Award for 2002 presented by the Community College Future's Assembly.
19. Needs assessment - Collaborated in subscribing to a web-based needs assessment system through CC benefits. The system has two major components: 1) a needs identification and curriculum planning component which will assist CTEC campuses in identifying needs for potential new programs and 2) a strategic planning component which can be used to estimate the economic and social impacts on the community and college of new business locations and/or closures in the region.

Accomplishments of the Office of Articulation and Transfer include the following:

1. General Education Requirements Transfer Agreement (GERTA)
  - a. Issued the 2005 updated paper copy of the Gold and Silver Pages.
  - b. Updated the online version of the Gold and Silver Pages.

- c. Assisted NDUS institutions and tribal colleges with additions, changes and deletions to on-campus and statewide GERs.
  - d. Assisted Fort Berthold Community College to establish guidelines for partnership into the GERTA agreement.
- 2. Common Course Numbering (CCN) Matrix
  - a. Began a three-year cycle of rotating academic discipline group meetings (with NDUS, tribal, and some private colleges—for each established discipline group listed within the Matrix.
  - b. Began a complete review of all courses listed on the Matrix.
  - c. Added three new CCN academic discipline groups.
  - d. Included, for the first time, tribal college courses within the matrix.
  - e. Established common competencies for accounting and early childhood education courses.
  - f. Administer more than 1800 common courses.
- 3. Washington Transfer Initiative
  - a. Met with senior staff, faculty and administrators of all Washington state technical and community colleges to propose the establishment of policies and procedures for campus transfer agreements.
    - i. Initiated on-campus visits to fourteen Washington campuses to discuss specifics of partnering.
    - ii. Drafted articulation agreements between the early childhood education programs at Mayville State University and the University of North Dakota and ten Washington campuses.
      - 1. Result: Mayville State plans a new online cohort for Washington students.
    - iii. Assisted Minot State in establishing articulation agreements with three Washington colleges.
    - iv. Dickinson State established an articulation agreement with Green River Community College and reports an increase in the number of Washington transfer students.
  - b. Established new policy to ensure qualified Washington transfer students the opportunity to study at an NDUS institution.
- 4. Transfer Migration Study
  - a. Began research to define (for the first time) transfer patterns of North Dakota students. The report will track students at their sending institutions and will continue to track their progress at the receiving institution.
    - i. Included within the study are data concerning: transfer direction and destination, time-to-degree completion, GERTA completion, remedial math and English courses, credit-by-exam rates, transfer credit acceptance rate totals and percentages, and average GPA of transferred credits.
- 5. Articulation Agreements
  - a. Increased the number of documented articulation agreements to 1,650, with nine new statewide articulation agreements approved by academic discipline groups, the Academic Affairs Council, and the Chancellor. An additional ten statewide articulation agreements are under review by academic discipline groups for approval.
- 6. Publications and Presentations
  - a. Initiated a new transfer Web site with specialized information for students, parents and families, and faculty and staff from higher education and K-12 educators.
  - b. Published the Transfer Times electronic newsletter for secondary and postsecondary educators.
  - c. Published T.I.P.S. (Transfer Information Procedures System) to aid students in understanding the rules of transfer and to advise students on making the transfer process more seamless.
  - d. Created transfer presentations for students, faculty and staff. These presentations will be made to students during orientation programs and to faculty and staff during discipline group meetings and in faculty/staff development days. Also presented at regional and national conferences.
- 7. Campus Visits and Outreach
  - a. Visited each of the eleven NDUS institutions and all five tribal colleges, with a total of more than 100 campus visits during the school year.
  - b. Met regularly with a variety of Systemwide/Statewide groups including the Academic Affairs Council, the North Dakota Registrar's Group, Tech Prep, the ND Teacher Education Council, and more than 30 academic discipline groups.
  - c. Made available to all campuses a national satellite conference concerning the current best practices and most current research related to transfer students.
    - i. Attended by more than 100 campus personnel from seven campuses.
  - d. Led student, faculty, and staff orientation programs.

The State Approving Agency approves educational training programs that are found in the following: Institutions of Higher Learning, Non-College Degree Programs, Apprenticeship Training, On-The-Job Training and Flight Schools. The approval process is ongoing and involves regular monitoring of the programs. As of May 2006, North Dakota had approximately 1,600 eligible veterans enrolled in approved programs. The programs are found in approximately 52 schools, training establishments, and businesses.

## **EXPLANATION OF PROGRAM COSTS**

The “Systems Governance” line item of the NDUS Office budget supports the state funded salaries, operating and equipment expenses of the NDUS Office, College Technical Education Council (CTEC) and Articulation and Transfer operations, as well as federally funded State Approving Agency operations. The salary budget also includes per diem reimbursement for Board of Higher Education members.

The 2007-09 general fund budget request totals \$6,210,394, which includes an increase of \$450,200 over the 2005-07 adjusted general fund appropriation of \$5,760,194, including carryover of \$381,698 from 2003-05. This increase represents a portion of the total increase that is being requested by the NDUS, to reach 21% of the estimated state general fund budget. Please see the budget change code “*SALARY AND OPERATING INCREASES*” and “*REORGANIZE POSITION*” for detailed information regarding the requested increases.

The 2007-09 budget request includes full funding of salaries and fringe benefits for state funded NDUS Office, CTEC and Articulation and Transfer employees, as well as federally funded State Approving Agency employees. The salary budget includes requested increases for the cost to continue FY2007 legislatively funded salary increases, estimated health insurance premium increases and 5% annual salary increases. The salary budget also includes a requested increase of \$308,000, which will be needed to split the position that is currently held by the Vice Chancellor for Strategic Planning and Director of CTEC into two separate positions after the retirement of the current Vice Chancellor.

Additional costs will be incurred during the current biennium for a new Chancellor search, as well as the Vice Chancellor for Strategic Planning. At the present time, the search costs are estimated at \$110,000 and we anticipate using carryover funds for this purpose. History has shown it is not unusual that executive positions of this level can not be filled at the current salary level, and therefore, our salary projections may be low for 2007-09. The budget request only includes the current salary of the Chancellor, plus salary increases of 5% per year for 2007-09.

Items that account for the majority of the operating budget are travel, dues and professional development, professional services and specific ongoing projects that have been funded through permanent allocations from the Board Initiative Pool. Examples include accountability surveys and report, statewide needs assessment and Project Vital Link. The travel budget includes funds to cover travel expenses for the Board and staff to perform statutory and constitutional duties and professional development, including motor pool costs and funds to reimburse Board members for personal vehicle usage.

Dues and professional development includes the cost of state and national memberships, conference expenses for professional development opportunities and MHEC and WICHE dues. These dues are projected at \$426,000 for 2007-09, which is an increase of \$26,000 over 2005-07. The biennial costs will increase from \$220,000 to \$236,000 for WICHE, and from \$180,000 to \$190,000 for MHEC dues.

The operating budget includes approximately \$119,000 for FINDET, which is an interagency cooperative effort to provide follow-up information on North Dakota education and training programs. Its primary purpose is to improve instructional and program planning and to avoid unnecessary duplication of resources among state agencies. FINDET is managed by the North Dakota Career Resource Network, which operates under an interagency agreement among the agencies of: North Dakota Department of Commerce; Job Service North Dakota; North Dakota Department of Labor; North Dakota Department of Public Instruction; North Dakota Office of Vocational Rehabilitation; North Dakota Department of Career and Technical Education; North Dakota University System; and the North Dakota Workforce Development Council.

In addition to providing valuable program planning information, FINDET is also being used to meet the accountability measure requirements in HB-1019 regarding state-funded training programs. One of the more valuable contributions of FINDET is the documentation of the relatively high percentage of North Dakota college graduates who remain in the state following graduation and the percentage of out-of-state students who also remain in North Dakota after graduating from a North Dakota college or university. FINDET uses a technique of data linking, which eliminates the need for each agency to issue surveys or other methods to determine the job-placement results of their education and training programs. Data linking uses existing data sources from State and federal agencies, while maintaining the highest level of data security and requirements under FERPA and applicable North Dakota laws and regulations.

## PROGRAM GOALS AND OBJECTIVES

The State Board of Higher Education is responsible for the overall management and control of the institutions and entities of the North Dakota University System. This program provides funding for the expenses/operations of the Board and System Office functions needed to carry out the Board's constitutional and statutory responsibilities. The budgets for the College Technical Education Council (CTEC), Articulation and Transfer and the federally funded North Dakota State Approving Agency (SAA) are also included in the System Governance reporting level.

The objectives of CTEC are to improve the coordination, collaboration and effectiveness of vocational-technical education and training among the boards and agencies which provide funding and have major responsibilities for delivering vocational education and workforce training in North Dakota. It also includes the director of the College Technical Education Council (CTEC).

The goals and objectives of Articulation and Transfer include the following: Continue to find ways to strengthen communication between North Dakota's education entities (including the K-12 system and tribal and private colleges) regarding transfer issues and articulation agreements; Continue to bring together discipline groups to review past work, communicate discipline changes and work toward the implementation of statewide articulation agreements and common outcomes for courses assigned to the Common Course Number Matrix; Strengthen transfer and articulation relationships with other states, especially Minnesota and high population western states such as Washington; Use the new transfer website to provide more *usable* information for students, staff and faculty; Revise or establish NDUS policies to ensure quality control over transferred courses and to assist the increasing number of transfer students transition to new campuses.

The State Approving Agencies (SAA's) are located in state agencies across the nation, and are the gate through which education and training providers must pass before they can accept a veteran enrollee or trainee into any of their educational, vocational or professional programs.

**REQUEST DETAIL BY PROGRAM**

215 ND UNIVERSITY SYSTEM

Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

Time: 11:43:43

| Program: SYSTEM GOVERNANCE         |                                       | Reporting Level: 00-215-100-00-00-00-00000000 |                             |   |                                  |
|------------------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                        | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SYSTEM GOVERNANCE-OPERATING</b> |                                       |   |                             |   |                                  |
| OPERATING FEES AND SERVICES        | 4,470,635                             | 5,568,422                                     | 872,972                     | 6,441,394                                 | 0                                |
| <b>TOTAL</b>                       | <b>4,470,635</b>                      | <b>5,568,422</b>                              | <b>872,972</b>              | <b>6,441,394</b>                          | <b>0</b>                         |
| <b>SYSTEM GOVERNANCE-OPERATING</b> |                                       |   |                             |   |                                  |
| GENERAL FUND                       | 4,383,735                             | 5,378,496                                     | 831,898                     | 6,210,394                                 | 0                                |
| FEDERAL FUNDS                      | 86,900                                | 189,926                                       | 41,074                      | 231,000                                   | 0                                |
| SPECIAL FUNDS                      | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                       | <b>4,470,635</b>                      | <b>5,568,422</b>                              | <b>872,972</b>              | <b>6,441,394</b>                          | <b>0</b>                         |
| <b>SPECIAL LINES</b>               |                                       |   |                             |   |                                  |
| BIENNIUM CARRYOVER                 | 165,217                               | 494,004                                       | -494,004                    | 0   | 0                                |
| <b>TOTAL</b>                       | <b>165,217</b>                        | <b>494,004</b>                                | <b>-494,004</b>             | <b>0</b>                                  | <b>0</b>                         |
| <b>SPECIAL LINES</b>               |                                       |   |                             |   |                                  |
| GENERAL FUND                       | 165,217                               | 381,698                                       | -381,698                    | 0   | 0                                |
| FEDERAL FUNDS                      | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                      | 0                                     | 112,306                                       | -112,306                    | 0   | 0                                |
| <b>TOTAL</b>                       | <b>165,217</b>                        | <b>494,004</b>                                | <b>-494,004</b>             | <b>0</b>                                  | <b>0</b>                         |
| <b>PROGRAM FUNDING SOURCES</b>     |                                       |   |                             |   |                                  |
| GENERAL FUND                       | 4,548,952                             | 5,760,194                                     | 450,200                     | 6,210,394                                 | 0                                |
| FEDERAL FUNDS                      | 86,900                                | 189,926                                       | 41,074                      | 231,000                                   | 0                                |
| SPECIAL FUNDS                      | 0                                     | 112,306                                       | -112,306                    | 0   | 0                                |
| <b>PROGRAM FUNDING TOTAL</b>       | <b>4,635,852</b>                      | <b>6,062,426</b>                              | <b>378,968</b>              | <b>6,441,394</b>                          | <b>0</b>                         |
| <b>FTE EMPLOYEES</b>               | <b>20.00</b>                          | <b>20.00</b>                                  | <b>1.00</b>                 | <b>21.00</b>                              | <b>.00</b>                       |
| <b>FUNDING DETAIL</b>              |                                       |   |                             |   |                                  |
| <b>GENERAL FUND</b>                | <b>4,548,952</b>                      | <b>5,760,194</b>                              | <b>450,200</b>              | <b>6,210,394</b>                          | <b>0</b>                         |
| <b>FEDERAL FUNDS</b>               |                                       |   |                             |   |                                  |
| E002 TITLE II                      | 0                                     | 0   | 0                           | 0   | 0                                |
| E006 STATE APPROVING AGENCY        | 86,900                                | 189,926                                       | 41,074                      | 231,000                                   | 0                                |
| <b>TOTAL</b>                       | <b>86,900</b>                         | <b>189,926</b>                                | <b>41,074</b>               | <b>231,000</b>                            | <b>0</b>                         |

|                            |                                       |   |                             |   |                                  |
|----------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Program: SYSTEM GOVERNANCE |                                       | Reporting Level: 00-215-100-00-00-00-00000000 |                             |   |                                  |
| Description                | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

|                                     |  |   |         |          |   |
|-------------------------------------|--|---|---------|----------|---|
| SPECIAL FUNDS                       |  |   |         |          |   |
| 340 HIGHER ED SPECIAL REV FUND 215F |  | 0 | 112,306 | -112,306 | 0 |
| TOTAL                               |  | 0 | 112,306 | -112,306 | 0 |

**CHANGE PACKAGE DETAIL****215 ND UNIVERSITY SYSTEM****Biennium: 2007-2009****Bill#: HB1003****Date: 12/13/2006****Time: 11:43:43**

|                                   |  |              |               |               |             |
|-----------------------------------|--|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> SYSTEM GOVERNANCE | <b>REPORTING LEVEL:</b> 00-215-100-00-00-00-00000000 |              |               |               |             |
| Description                       | FTE  | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                                  |             |                |               |                 |                |
|----------------------------------|-------------|----------------|---------------|-----------------|----------------|
| Cost To Continue                 | .00         | 0              | 0             | -112,306        | -112,306       |
| 5 SALARY AND OPERATING INCREASES | .00         | 142,200        | 41,074        | 0               | 183,274        |
| 11 REORGANIZE POSITION           | 1.00        | 308,000        | 0             | 0               | 308,000        |
| <b>Agency Total</b>              | <b>1.00</b> | <b>450,200</b> | <b>41,074</b> | <b>-112,306</b> | <b>378,968</b> |



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## PROGRAM NARRATIVE

215 ND UNIVERSITY SYSTEM

Date: 12/13/2006

Time: 11:43:43

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|                                 |   |
|---------------------------------|---|
| Program: STUDENT GRANT PROGRAMS | Reporting Level: 00-215-110-00-00-00-00000000 |
|---------------------------------|---|

## PROGRAM PERFORMANCE MEASURES

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the six cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 6<sup>th</sup> annual accountability measures report is scheduled for completion in December 2006, and will be the most current information available to the 2007 Legislative Assembly.

This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

## PROGRAM STATISTICAL DATA

STATE STUDENT FINANCIAL ASSISTANCE GRANTS: NDUS Office staff provide the following services: process all applications for grants and make awards of \$600 per year to needy students; maintain records in compliance with federal guidelines; provide training to high school and postsecondary personnel on financial aid programs and procedures; and provide program information and student aid insight to congressional delegation.

| DESCRIPTION                                    | <u>02-03</u>  | <u>03-04</u>  | <u>04-05</u>  | <u>05-06</u>  | <u>06-07</u>  | <u>07-08Est</u> | <u>08-09Est</u> |
|--|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| Number of applications received                | 25,753        | 30,255        | 37,167        | 33,864        | 33,297        | 33,580          | 33,430          |
| Number of state grants offered:                | 3,249         | 2,831         | 3,299         | 3,200         | 4,450         | 3,825           | 4,137           |
| Number of state grants funded                  | 2,600         | 2,275         | 2,699         | 2,494         | 3,759         | 3,126           | 3,442           |
| Greatest unmet need of any student:            | \$10,186      | \$9,826       | \$13,144      | \$14,146      | \$14,631      | \$14,389        | \$14,510        |
| Ran out of state funds at unmet need level of: | \$6,076       | \$5,937       | \$6,025       | \$5,926       | \$6,003       | \$5,964         | \$5,983         |
| Number of students showing need:               | 24,492        | 21,930        | 19,431        | 20,638        | 20,055        | 20,346          | 20,200          |
| Total \$ amt of unmet need-All applicants:     | \$107,197,858 | \$107,932,958 | \$108,648,507 | \$115,651,447 | \$108,469,619 | \$112,060,533   | \$110,265,076   |
| Ave \$ amt of unmet need-All applicants:       | \$4,598       | \$4,779       | \$5,591       | \$5,185       | \$5,388       | \$5,495         | \$5,441         |

NORTH DAKOTA SCHOLARS PROGRAM: To be eligible for consideration for a North Dakota Scholars Scholarship, a high school junior must take the ACT Assessment between October and June of their junior year and score in the upper five percentile of all North Dakota ACT test takers. The numeric sum of the English, Math, reading and science reasoning scores will be used as a second selection criteria. The numeric sum of a student's English and mathematics scores will be used as selection criteria if a tie-breaker is needed. Scholars who maintain at least a 3.5 cumulative grade point average may receive the scholarship for up to eight semesters. The scholarship may not exceed the amount charged for tuition at the state universities, and may be used to defray costs of tuition, fees, room, board, books, supplies and other expenses incidental to attending an eligible institution. A number of functions are performed, including the following:

- -Certify with ACT those students who have met the upper 5% requirement for Scholars Program eligibility.
- -Certify renewal criteria (GPA) with registrars.
- -Notify new and continuing scholars of eligibility.
- -Monitor eligibility criteria of each new and continuing scholar.
- -Disburse funds for each scholar.

| DESCRIPTION  | <u>98-99</u> | <u>99-00</u> | <u>00-01</u> | <u>01-02</u> | <u>02-03</u> | <u>03-04</u> | <u>04-05</u> | <u>05-06</u> | <u>06-07</u> | <u>07-08Est</u> | <u>08-09Est</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|-----------------|
| # of candidates meeting 5% ACT requirement         | 455          | 455          | 413          | 505          | 548          | 484          | 394          | 377          | 326          | 351             | 338             |
| # of candidates also meeting high school rank req. | 387          | 376          | 347          | 403          | 427          | 398          | 339          | 328          | NA           | NA              | NA              |
| Offers made  | 112          | 87           | 62           | 107          | 113          | 46           | 36           | 44           | 65           | 55              | 60              |
| Offers funded                                      | 53           | 39           | 25           | 49           | 47           | 17           | 11           | 20           | 35           | 28              | 32              |
| % of offers that are accepted                      | 47%          | 44%          | 40%          | 46%          | 42%          | 37%          | 31%          | 45%          | 54%          | 51%             | 53%             |

ND INDIAN SCHOLARSHIP PROGRAM – Eligibility requirements include the following:

1. Applicants must either be a resident of North Dakota with one-quarter degree Indian blood or an enrolled member of a tribe, now a resident of North Dakota.
2. Scholarship recipients must be enrolled full-time (12 or more credits per semester) and may not have a GPA below 2.0. In addition, part-time students who need minimal credits to complete their degree requirements are also eligible.

The NDUS staff works closely with high school counselors, post-secondary financial aid officers, tribal scholarship personnel and other funding sources to facilitate the educational goals of all Native American Indian students who need financial assistance.

- Review scholarship applications and make REQUESTs for awards to the North Dakota Indian Scholarship Board (NDISB) members.
- Gather and update statistical data on college enrollments and other information regarding American Indian students.
- Prepare program report and present to NDISB each year.
- Meet with scholarship applicants and other Indian students each year regarding minority scholarship and financial aid in general.

| DESCRIPTION                  | <u>98-99</u> | <u>99-00</u> | <u>00-01</u> | <u>01-02</u> | <u>02-03</u> | <u>03-04</u> | <u>04-05</u> | <u>05-06</u> | <u>06-07</u> | <u>07-08Est</u> | <u>08-09Est</u> |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|-----------------|
| Total applications received: | 615          | 492          | 510          | 455          | 356          | 407          | 392          | 388          | 376          | 400             | 400             |
| Total applications funded:   | 145          | 148          | 147          | 147          | 147          | 171          | 204          | 180          | 180          | 270             | 270             |
| Average award amount:        | \$700        | \$700        | \$700        | \$700        | \$700        | \$600        | \$500        | \$700        | \$700        | \$700           | \$700           |
| Average age of recipients:   | 28           | 30           | 27           | 27           | 26           | 28           | 27           | 28           | 27           | 28              | 28              |

#### EDUCATION INCENTIVE PROGRAM:

Teacher Shortage Loan Forgiveness Program: To provide a \$1,000 per year in continued loan forgiveness to a maximum of 3 years or \$3,000 for individuals teaching in North Dakota at grade levels and/or in content areas identified by the Department of Public Instruction as having a teacher shortage. Primary consideration is given to first-year teachers who completed a full year of teaching in North Dakota since being licensed by the North Dakota Education Standards and Practices Board (ESPB) and taught in a defined shortage area. Other qualifications an applicant must have for primary consideration of the Program are: have a loan and not be in default on that loan; be licensed by ESPB to teach; taught in a public or private school in North Dakota; and held a contract to teach a full academic year. A number of functions are performed, including the following:

- Verify applicant taught in an approved shortage area.
- Verify applicant has an eligible student loan.
- Verify applicant taught in a public or private school in North Dakota for one year.
- Notify eligible applicants of eligibility.
- Cut check payable to Bank of North Dakota for disbursement to the eligible applicant's lending institution.

Loan Forgiveness Amount per Applicant: Up to \$1,000 per year in continued loan forgiveness to a maximum of 3 years or \$3,000.

|  | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> |
|--|----------------|----------------|----------------|
| Number of Applications Received:   | 248            | 232            | 316            |
| Number of Qualified and Funded Applicants:   | 175            | 227            | 312            |
| Average Student loan indebtedness of funded applicants as reported on application: | \$11,180       | \$11,337       | \$13,462       |

Defined shortage areas of funded applicants for 2005-06 and number of applicants funded include the following: Art 10; Computer Education 11; English Language Arts 47; Family and Consumer Sciences 6; Health 11; Languages/Native American Languages 11; Mathematics 41; Music 17; Science 38; Social Studies 46; Special Education Programming 66; Technology Education-Industrial Arts 8. Total 312.

Technology Occupations Student Loan Program: To provide a \$1,000 per year in continued loan forgiveness for each year an eligible applicant is employed in an approved technology occupation in North Dakota, up to a maximum of 3 years or \$3,000. Primary consideration is given to applicants employed for the shortage period of time (in 12 month increments) required for eligibility, or applicant employed for at least 12 but less than 24 months, etc. In addition, eligible applicant must have graduated from a Board-approved college; successfully completed a Board-approved technology-related program; maintained at least a cumulative 2.5 GPA; and must have a student loan with the Bank of North Dakota or other participating lender. A number of functions are performed, including the following:

- Verify applicant: graduated from a Board-approved college; completed a Board-approved technology-related program; maintained a cumulative 2.5 GPA; have a student loan with the Bank of North Dakota or other participating lender.
- Notify eligible applicants of eligibility.
- Cut check payable to Bank of North Dakota for disbursement to eligible applicant's account.

Loan Forgiveness Amount per Applicant: \$1,000 per year for each year employed in an approved technology occupation in ND, up to a maximum of 3 years or \$3,000.

|  | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> |
|--|----------------|----------------|----------------|
| Number of Applications:  | 126            | 136            | 194            |
| Number of Qualified and Funded Applicants:   | 107            | 114            | 171            |
| Average student loan indebtedness of funded applicants as reported on application: | \$8,442        | \$9,488        | \$10,747       |

Program areas of funded applicants for 2005-06 and number of applicants funded include the following: Agricultural Engineering 8; Architectural Engineering Technology/Technician 4; Biology, General 1; Chemical Engineering 1; Civil Engineering, General 1; Civil Engineering/Technician 6; Computer and Information Sciences, General 36; Computer and Information Sciences, Other 3; Computer Installer and Repairer 1; Computer Programming 1; Computer Science 5; Computer Systems and Telecommunications 9; Construction Engineering 1; DataProcessing Technology/Technicians 1; Electrical, Electronic and Communications Engineering Technology/Technician 2; Electrical, Electronic and Communications Engineering Technology/Technician 6; Electrical, Electronic and Communications Engineering 10; Emergency Medical Technology/Technician 4; Industrial Engineering 6; Industrial Technology/Technician 4; Information Systems 4; Management Information Systems and Business Data Processing Services, General 18; Management Information Systems and Services 1; Mathematics, General 1; Mechanical Engineering 10; Medical Radiologic Technology/Technician 12; Medical Technology 6; Radiologic Technology/Science-Radiographer 2; Respiratory Therapy Technician 4; Surgical/Operating Room Technician 2; Technology Teacher Education/Industrial Arts Teacher Education 1. Total 171.

Technology job occupations of funded applicants for 2005-06 and number of applicants funded include the following: Agricultural Engineers 6; Biological Scientists 1; Civil Engineering Technicians 6; Clinical Laboratory Technologists and Technicians 5; Computer and Mathematical Occupations 3; Computer Hardware Engineers 1; Computer Programmers 16; Computer Software Engineers 11; Computer Specialists 1; Computer Support Specialists 20; Computer Systems Analysts 6; Diagnostic Related Technologists and Technicians 14; Electrical and Electronic Engineering Technicians 2; Electrical and Electronic Repairers, Commercial and Industrial Equipment 2; Electrical and Electronics Engineers 9; Emergency Medical Technicians and Paramedics 4; Engineering Teachers, Postsecondary 1; Engineering Technicians, Except Drafters 3; Engineering Technicians, Except Drafters, All Other 1; Engineers 12; Forest and Conservation Technicians 1; Industrial Engineers, Including Health and Safety 4; Math and Computer Teachers, Postsecondary 1; Mechanical Engineering Technicians 1; Medical Scientists, Except Epidemiologists 1; Miscellaneous Computer Specialists 7; Miscellaneous Engineers 6; Network and Computer Systems Administrators 12; Network Systems and Data Communications Analysts 1; Operations Research Analysts 1; Power Plant Operators, Distributors,

and Dispatchers 1; Respiratory Therapy Technicians 4; Surgical Technologists 2; Telecommunications Equipment Installers and Repairers, Except Line Installers 3; Vocational Education Teachers Postsecondary 2. Total 171.

Doctoral Graduates Program: In June 2005, the SBHE approved the allocation of \$30,000 each to UND and NDSU (total \$60,000 for the biennium) from the 2005-07 Education Incentive Program in support of the Doctoral Program. The intent of this program is to provide incentives to encourage additional doctoral graduates in North Dakota. Although the applications for the Teacher Shortage Loan Forgiveness Program and Technology Occupations Student Loan Program have increased in the past two years, earlier applications were lower than expected, resulting on significant carryover in 2003-05. In order to maximize the use of the 2005-07 funding to meet the intent of all three programs, the SBHE will be asked (at their September 2006 meeting) to allocate an additional \$100,000 in one-time funding each to UND and NDSU. This will provide a total of \$260,000 to UND and NDSU during the 05-07 biennium in support of the Doctoral Program. UND and NDSU provided the following narrative regarding the use of the \$30,000 that has been allocated to them for the current biennium.

UND - Over the past two years, the UND Graduate School has used this for stipend support for doctoral students and to expand the Summer Doctoral Fellowship program. Summer Doctoral Fellowships of \$5,000 plus a waiver of tuition were available in limited numbers (2-3 per year) prior to 2001. The fellowship program is designed for doctoral students who have an approved Dissertation Proposal on file in the Graduate School and plan to work on their dissertation research full time during the summer. The Doctoral Program provides increased summer funding opportunities for doctoral students on our campus and allows these students to stay engaged in their graduate work rather than having to separate from the University and pursue outside employment during the summer months. As a result, more students are progressing through their degree programs faster. We are grateful for the support provided through this program and are realizing the benefits of the program at each commencement. Future allocations of \$30,000 will be used to support summer opportunities for students.

NDSU – Approximately \$15,100 was expended on promotion and advertising as a recruitment tool to make students at baccalaureate granting institutions in North Dakota and the region more aware of doctoral programs. In lieu of having funding for a number of doctoral dissertation fellowships, \$10,400 was given to doctoral students to enhance their education (travel, conference registration, and supplies). The balance, or \$4,500, was expended for research and teaching awards to outstanding doctoral students.

PROFESSIONAL STUDENT EXCHANGE PROGRAM (PSEP): State general funds provided by the Legislature for the Professional Student Exchange Program is used to purchase slots in the programs of veterinary medicine, optometry, and dentistry under WICHE and an agreement negotiated with Iowa, (veterinary medicine only), and at the University of MN in veterinary medicine and dentistry. In addition, funds were provided from the student loan trust fund in 2003-05 for slots in veterinary medicine at Kansas State University (KSU). We are requesting continuation of this funding source for the KSU slots in 2007-09. The cost of these slots is included as “special funds” in the biennial budget request. The following number of slots are funded per year:

| Years<br>Funded | New Slots (Excluding KSU) |                  |                  | Continuing Students (Excl KSU) |                  |                  | KSU Vet Students |                            |
|-----------------|---------------------------|------------------|------------------|--------------------------------|------------------|------------------|------------------|----------------------------|
|                 | <u>Vet. Med</u>           | <u>Dentistry</u> | <u>Optometry</u> | <u>Vet Med.</u>                | <u>Dentistry</u> | <u>Optometry</u> | <u>New Slots</u> | <u>Continuing Students</u> |
| 1995-96         | 9                         | 3                | 5                | 29                             | 12               | 20               |                  |                            |
| 1996-97         | 7*(1)                     | 1*(1)            | 5                | 20*(4)                         | 4*(7)            | 18               |                  |                            |
| 1997-98         | 9*(0)                     | 1*(9)            | 8                | 21*(3)                         | 4*(12)           | 18               |                  |                            |
| 1998-99         | 5*(3)                     | 2*(7)            | 8                | 20*(3)                         | 3*(13)           | 18               |                  |                            |
| 1999-00         | 7*(2)                     | 1*(8)            | 7                | 28*(3)                         | 5*(16)           | 28               |                  |                            |
| 2000-01         | 7*(1)                     | 1*(7)            | 7                | 27*(5)                         | 5*(23)           | 30               |                  |                            |
| 2001-02         | 6*(0)                     | 4*(5)            | 6                | 18*(6)                         | 5*(22)           | 27               |                  |                            |
| 2002-03         | 4*(4)                     | 4*(8)            | 6                | 19*(3)                         | 6*(20)           | 25               |                  |                            |
| 2003-04         | 4*(5)                     | 4*(17)           | 5                | 16*(5)                         | 9*(21)           | 22               |                  |                            |
| 2004-05         | 4*(1)                     | 4*(15)           | 4                | 12*(9)                         | 11*(29)          | 17               |                  |                            |
| 2005-06         | 7*(5)                     | 4*(11)           | 4                | 11*(10)                        | 12*(39)          | 15               | 2                |                            |
| 2006-07         | 6                         | 8                | 4                | 15*(11)                        | 12*(37)          | 12               | 2                | 2                          |
| 2007-08Est      | 6                         | 8                | 4                | 17                             | 16               | 11               | 2                | 4                          |
| 2008-09Est      | 6                         | 8                | 4                | 19                             | 20               | 11               | 2                | 6                          |

\* From 1996-97 through 2005-06, students attending vet med or dentistry at the University of Minnesota paid the resident rate and no state support was necessary for these slots. These students are reflected in “( )” in the figures in the table. Beginning in 2006-07, there is a cost for new students entering the dentistry and vet med programs at the University of Minnesota. Students that were already attending the two programs prior to Fall 2006 were “grandfathered in,” and continue to pay the Minnesota resident rate.

Minnesota Reciprocity: Services provided include: Approve student applications for reciprocity tuition rates; maintain reciprocity records to facilitate the calculation of the reciprocity payment, and negotiation of the agreement with Minnesota. Statistics relative to the number of Minnesota students attending college in North Dakota and the number of North Dakota students attending college in Minnesota are as follows:

| DESCRIPTION       | <u>89-90</u> | <u>90-91</u> | <u>91-92</u> | <u>92-93</u> | <u>93-94</u> | <u>94-95</u> | <u>95-96</u> | <u>96-97</u> | <u>97-98</u> | <u>98-99</u> | <u>99-00</u> | <u>00-01</u> | <u>01-02</u> | <u>02-03</u> | <u>03-04</u> | <u>04-05</u> |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| MN in ND          | 5,690        | 5,346        | 5,132        | 5,416        | 5,564        | 5,619        | 5,681        | 5,666        | 5,586        | 5,626        | 5,769        | 6,064        | 6,280        | 6,565        | 6,933        | 7,338        |
| ND in MN          | 4,505        | 4,571        | 4,413        | 4,119        | 4,043        | 3,796        | 3,715        | 3,821        | 3,714        | 4,298        | 4,736        | 5,066        | 5,298        | 5,523        | 5,531        | 5,512        |
| Ratio of MN to ND | 1.26         | 1.17         | 1.16         | 1.31         | 1.38         | 1.48         | 1.53         | 1.48         | 1.50         | 1.31         | 1.22         | 1.20         | 1.18         | 1.19         | 1.25         | 1.33         |

## EXPLANATION OF PROGRAM COSTS

STATE STUDENT FINANCIAL ASSISTANCE GRANTS: The 2007-09 budget request for this program is \$5,487,497 (\$5,323,497 general funds and \$164,000 federal funds). The budget request includes a \$1,671,995 general fund increase from the 2005-07 adjusted general fund appropriation of \$3,651,502, including \$319,100 general fund carryover from 2003-05. This increase represents a portion of the total increase that is being requested by the NDUS, to reach 21% of the estimated state general fund budget. It is estimated that there will be minimal unspent 2005-07 general fund authority. The budget request will provide funds for approximately 4,575 state grants per year, at \$600 each or 3,655 state grants per year, at \$750 each. An average of 3,117 awards per year were funded during the 2005-07 biennium. (See Program Statistical Data for a history of past awards and estimates for 2007-09.)

For academic year 2006-07, \$1,355,392 is required in non-federal funds in order to meet a federal Maintenance of Effort requirements and receive \$86,000 in federal funds. For the 2007-09 biennium, \$3,456,512 is required in non-federal funds in order to meet Maintenance of Effort requirements and receive 100% of available federal funds.

NORTH DAKOTA SCHOLARS PROGRAM: The 2007-09 budget request for the ND Scholars Program is \$1,478,566, which includes an increase of \$563,110 over the 2005-07 adjusted appropriation of \$915,456, including carryover of \$53,379 from 2003-05. This increase represents a portion of the total increase that is being requested by the NDUS, to reach 21% of the estimated state general fund budget. The appropriation will allow for an increase in the number of new freshmen awards from 35 to 50 per year in FY 2008 and FY 2009, and the continuation of all upper-classmen. If this request is funded, a \$2,000 one-time stipend would be provided to all new freshmen in FY 2008 and FY 2009. (See Program Statistical Data for a history of past awards and estimates for 2007-09.)

| CLASS     | <u>2001-02</u> | <u>2002-03</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07Est</u> | <u>2007-08Est</u> | <u>2008-09Est</u> |
|-----------|----------------|----------------|----------------|----------------|----------------|-------------------|-------------------|-------------------|
| Freshmen  | 48             | 46             | 17             | 11             | 20             | 34                | 50                | 50                |
| Sophomore | 21.5           | 42             | 44             | 17             | 11             | 17                | 34                | 50                |
| Junior    | 28             | 22             | 40             | 42             | 17             | 10                | 17                | 34                |
| Senior    | 39.5           | 29             | 22             | 35             | 40             | 17                | 10                | 17                |
| TOTAL     | 137            | 139            | 123            | 105            | 88             | 78                | 111               | 151               |

The estimated # of applicants to be funded for 2007-09 assumes estimated general fund carryover of \$169,700 from 2005-07 to 2007-09.

ND INDIAN SCHOLARSHIP PROGRAM: The 2007-09 budget request for this program is \$380,626, which includes a \$127,000 general fund increase from the 2005-07 adjusted appropriation of \$253,626, including \$1,638 carryover from 2003-05. This increase represents a portion of the total increase that is being requested by the NDUS, to reach 21% of the estimated state general fund budget. This would fund approximately 270 grants per year, @ \$700, or 90 more than were funded in 2005-06 when the estimates for 2007-09 were made. This increase would also provide sufficient funds to award qualified applicants with a GPA of 3.0. Currently, there isn't sufficient funding to award qualified applicants with a GPA of less than 3.5.

EDUCATION INCENTIVE PROGRAMS: The total amount requested for 2007-09, is \$1,740,314. which includes an increase of \$163,000 over the 2005-07 adjusted appropriation of \$1,577,314, including carryover of \$349,412 from 2003-05. As of August, 2006, the following allocations are estimated for the various programs for 2005-07:

|   |             |
|---|-------------|
| Teacher Shortage Loan Forgiveness Program                   | \$ 726,000  |
| Technology Occupations Loan Forgiveness Program             | 412,000     |
| Doctoral Graduate Program                                   | 260,000     |
| Estimated allocations (As of Aug 2006)                      | 1,398,000   |
| Allocation of 2003-05 carryover to VCSU, Per HB1003, Sec 25 | 122,826     |
| Estimated carryover to 2007-09                              | 56,488      |
| 2005-07 adjusted appropriation                              | \$1,577,314 |

The budget request will provide sufficient funds to continue \$1,000 per year (up to 3 years) loan forgiveness for those individuals that are currently funded, as well as providing new \$1,000 awards per year for 158 individuals in the Teacher Shortage Loan Forgiveness Program and 99 in the Technology Occupations Loan Forgiveness Program. This is the same number of new awards that are funded in 2005-06 and 2006-07. Originally, the program included \$60,000 for the Doctoral Graduate Program, however the availability of 2003-05 carryover allowed additional funding of \$200,000 for 2005-07. The increase that is included in the budget request will allow a permanent increase in the Doctoral Graduate Program from \$60,000 to \$260,000, which is allocated equally to UND and NDSU.

PROFESSIONAL STUDENT EXCHANGE PROGRAM (PSEP): The 2007-09 budget request totals \$2,617,026, and consists of \$2,299,566 in state general funds and \$317,460 in special funds. The request includes an increase of \$324,895 in state funds over the 2005-07 adjusted appropriation of \$1,974,671, including carryover of \$109,891 from 2003-05. Of the total general fund increase, \$124,895 is the cost to continue current students in WICHE, Iowa and Minnesota slots and to fund the same number of new slots in 2007-09 as 2005-06. The remaining increase of \$200,000 will provide funding for a new community matching loan forgiveness program for veterinary medicine and optometry students. There is a similar program already available to dentistry students.

The budget request also includes an increase of \$54,960 (from \$262,500 to \$317,460) in special fund authority. HB 1397 (2005) provides that \$262,500, from the student loan trust fund, is to be used for students enrolled in the veterinary medical education program at Kansas State University. Based on the REQUEST of the State Board of Higher Education, two students were funded in 2005-06 and continued in 2006-07, as well as adding two additional students in 2006-07. The cost of continuing the funding of the current students in the KSU program, as well as adding two new students per year in 2007-09, is estimated at \$317,460. We are requesting the \$317,460 continue to be funded from the student loan trust fund. The cost of the KSU students is not included in the general fund request.

Following is a history of past awards, by class, and estimated awards for 2007-08 and 2008-09. The number of awards for 2007-08 and 2008-09 assumes estimated 2005-07 general fund carryover of approximately \$56,500.

|                      | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08Est</u> | <u>2008-09Est</u> |
|----------------------|----------------|----------------|----------------|----------------|-------------------|-------------------|
| Veterinary Medicine: |                |                |                |                |                   |                   |
| Freshmen             | 4              | 4              | 7+2KSU         | 6+2KSU         | 6+2KSU            | 6+2KSU            |
| Sophomore            | 4              | 4              | 4              | 7+2KSU         | 6+2KSU            | 6+2KSU            |
| Junior               | 5              | 3              | 4              | 4              | 7+2KSU            | 6+2KSU            |
| Senior               | 7              | 5              | 0              | 4              | 4                 | 7+2KSU            |
| Dentistry:           |                |                |                |                |                   |                   |
| Freshmen             | 4              | 4              | 4              | 8              | 8                 | 8                 |
| Sophomore            | 4              | 4              | 4              | 4              | 8                 | 8                 |
| Junior               | 3              | 4              | 4              | 4              | 4                 | 8                 |
| Senior               | 2              | 3              | 4              | 4              | 4                 | 4                 |
| Optometry:           |                |                |                |                |                   |                   |
| Freshmen             | 5              | 4              | 4              | 4              | 4                 | 4                 |
| Sophomore            | 6              | 5              | 4              | 3              | 4                 | 4                 |
| Junior               | 6              | 6              | 5              | 4              | 3                 | 4                 |
| Senior               | 10             | 6              | 6              | 5              | 4                 | 3                 |

Four new slots in veterinary medicine are computed at the Iowa rate in 2007-08 and 2008-09. Two additional new slots in veterinary medicine, and six new slots in dentistry (per year) are computed at the Minnesota rate. Optometry slots are only available through the WICHE program, and therefore all new slots are budgeted at the WICHE rate, as well as two new Dentistry slots per year.

## **PROGRAM GOALS AND OBJECTIVES**

**STATE STUDENT FINANCIAL ASSISTANCE GRANTS:** Provide nonrepayable needs-based grants to students who are ND resident undergraduate students who have graduated from ND high schools or a high school in a bordering state pursuant to NDCC 15.40.2-10. Students must attend a qualified institution of postsecondary education in ND, or must be a ND resident student who must attend an out-of-state postsecondary institution due to a lack of special services, or facilities, or both. Grants are made to students of exceptional financial need.

**NORTH DAKOTA SCHOLARS PROGRAM:** To provide scholarships to the top students in the high school graduating classes to encourage the best and brightest of ND high school graduates to remain in North Dakota to obtain their postsecondary training.

**ND INDIAN SCHOLARSHIP PROGRAM** assists Native American students in obtaining a basic college education by providing grants ranging from \$500 to \$2,000 per student per year based on scholastic ability and high unmet financial need. Priority is given to full-time undergraduate students, as well as high academic achievers. Those students with a cumulative grade point average (GPA) of 3.5 or above are given priority in funding. The dollar amount of the grant is approved by the Indian Scholarship Board, based upon the number of students and availability of funds.

### **EDUCATION INCENTIVE PROGRAM:**

- Teacher Shortage Loan Forgiveness Program reduces student loan indebtedness for individuals teaching in North Dakota at grade levels and/or in content areas identified by the Department of Public Instruction as having a teacher shortage.
- Technology Occupations Student Loan Program reduces student loan indebtedness for individuals who have graduated in a technology related field and have been employed in a technology occupation in North Dakota for one year.
- Doctoral Graduates Program provides incentives to encourage additional doctoral graduates in North Dakota.

**PROFESSIONAL STUDENT EXCHANGE PROGRAM (PSEP)** provides access to professional training programs in veterinary medicine, dentistry, and optometry for ND students, since ND does not offer these programs in the state. The budget also includes the administration expenses associated with the program.

**REQUEST DETAIL BY PROGRAM**

215 ND UNIVERSITY SYSTEM

Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

Time: 11:43:43

| Program: STUDENT GRANT PROGRAMS            |                                       | Reporting Level: 00-215-110-00-00-00-00000000 |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                                | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>STUDENT FINANCIAL ASSISTANCE GRANTS</b> |                                       |   |                             |   |                                  |
| GRANTS, BENEFITS & CLAIMS                  | 2,585,188                             | 3,785,597                                     | 1,663,995                   | 5,449,592                                 | 0                                |
| TRANSFERS OUT                              | 0                                     | 37,905  | 0                           | 37,905                                    | 0                                |
| <b>TOTAL</b>                               | <b>2,585,188</b>                      | <b>3,823,502</b>                              | <b>1,663,995</b>            | <b>5,487,497</b>                          | <b>0</b>                         |
| <b>STUDENT FINANCIAL ASSISTANCE GRANTS</b> |                                       |   |                             |   |                                  |
| GENERAL FUND                               | 2,585,188                             | 3,651,502                                     | 1,671,995                   | 5,323,497                                 | 0                                |
| FEDERAL FUNDS                              | 0                                     | 172,000                                       | -8,000                      | 164,000                                   | 0                                |
| SPECIAL FUNDS                              | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                               | <b>2,585,188</b>                      | <b>3,823,502</b>                              | <b>1,663,995</b>            | <b>5,487,497</b>                          | <b>0</b>                         |
| <b>SCHOLARS PROGRAM</b>                    |                                       |   |                             |   |                                  |
| GRANTS, BENEFITS & CLAIMS                  | 808,698                               | 909,073                                       | 563,110                     | 1,472,183                                 | 0                                |
| TRANSFERS OUT                              | 0                                     | 6,383   | 0                           | 6,383                                     | 0                                |
| <b>TOTAL</b>                               | <b>808,698</b>                        | <b>915,456</b>                                | <b>563,110</b>              | <b>1,478,566</b>                          | <b>0</b>                         |
| <b>SCHOLARS PROGRAM</b>                    |                                       |   |                             |   |                                  |
| GENERAL FUND                               | 808,698                               | 915,456                                       | 563,110                     | 1,478,566                                 | 0                                |
| FEDERAL FUNDS                              | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                              | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                               | <b>808,698</b>                        | <b>915,456</b>                                | <b>563,110</b>              | <b>1,478,566</b>                          | <b>0</b>                         |
| <b>NATIVE AMERICAN SCHOLARSHIP PROGRAM</b> |                                       |   |                             |   |                                  |
| GRANTS, BENEFITS & CLAIMS                  | 202,850                               | 253,626                                       | 127,000                     | 380,626                                   | 0                                |
| <b>TOTAL</b>                               | <b>202,850</b>                        | <b>253,626</b>                                | <b>127,000</b>              | <b>380,626</b>                            | <b>0</b>                         |
| <b>NATIVE AMERICAN SCHOLARSHIP PROGRAM</b> |                                       |   |                             |   |                                  |
| GENERAL FUND                               | 202,850                               | 253,626                                       | 127,000                     | 380,626                                   | 0                                |
| FEDERAL FUNDS                              | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                              | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                               | <b>202,850</b>                        | <b>253,626</b>                                | <b>127,000</b>              | <b>380,626</b>                            | <b>0</b>                         |
| <b>SPECIAL LINES</b>                       |                                       |   |                             |   |                                  |
| EDUCATION INCENTIVE PROGRAMS               | 878,490                               | 1,577,314                                     | 163,000                     | 1,740,314                                 | 0                                |
| PROFESSIONAL STUDENT EXCHANGE PROG.        | 1,603,889                             | 2,237,171                                     | 379,855                     | 2,617,026                                 | 0                                |
| <b>TOTAL</b>                               | <b>2,482,379</b>                      | <b>3,814,485</b>                              | <b>542,855</b>              | <b>4,357,340</b>                          | <b>0</b>                         |



**REQUEST DETAIL BY PROGRAM**

215 ND UNIVERSITY SYSTEM

Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

Time: 11:43:43

| Program: STUDENT GRANT PROGRAMS |                                       | Reporting Level: 00-215-110-00-00-00-00000000 |                             |   |                                  |
|---------------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                     | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**SPECIAL LINES**

|               |                  |                  |                |                  |          |
|---------------|------------------|------------------|----------------|------------------|----------|
| GENERAL FUND  | 2,482,379        | 3,551,985        | 487,895        | 4,039,880        | 0        |
| FEDERAL FUNDS | 0                | 0                | 0              | 0                | 0        |
| SPECIAL FUNDS | 0                | 262,500          | 54,960         | 317,460          | 0        |
| <b>TOTAL</b>  | <b>2,482,379</b> | <b>3,814,485</b> | <b>542,855</b> | <b>4,357,340</b> | <b>0</b> |

**PROGRAM FUNDING SOURCES**

|                              |                  |                  |                  |                   |          |
|------------------------------|------------------|------------------|------------------|-------------------|----------|
| FEDERAL FUNDS                | 0                | 172,000          | -8,000           | 164,000           | 0        |
| GENERAL FUND                 | 6,079,115        | 8,372,569        | 2,850,000        | 11,222,569        | 0        |
| SPECIAL FUNDS                | 0                | 262,500          | 54,960           | 317,460           | 0        |
| <b>PROGRAM FUNDING TOTAL</b> | <b>6,079,115</b> | <b>8,807,069</b> | <b>2,896,960</b> | <b>11,704,029</b> | <b>0</b> |

**FTE EMPLOYEES**

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| <b>.00</b> | <b>.00</b> | <b>.00</b> | <b>.00</b> | <b>.00</b> |
|------------|------------|------------|------------|------------|

**FUNDING DETAIL****GENERAL FUND**

|                  |                  |                  |                   |          |
|------------------|------------------|------------------|-------------------|----------|
| <b>6,079,115</b> | <b>8,372,569</b> | <b>2,850,000</b> | <b>11,222,569</b> | <b>0</b> |
|------------------|------------------|------------------|-------------------|----------|

**FEDERAL FUNDS**

|                                  |          |                |               |                |          |
|----------------------------------|----------|----------------|---------------|----------------|----------|
| E001 STUDENT FIN. ASSIST. GRANTS | 0        | 172,000        | -8,000        | 164,000        | 0        |
| <b>TOTAL</b>                     | <b>0</b> | <b>172,000</b> | <b>-8,000</b> | <b>164,000</b> | <b>0</b> |

**SPECIAL FUNDS**

|                                     |          |                |               |                |          |
|-------------------------------------|----------|----------------|---------------|----------------|----------|
| 340 HIGHER ED SPECIAL REV FUND 215F | 0        | 262,500        | 54,960        | 317,460        | 0        |
| <b>TOTAL</b>                        | <b>0</b> | <b>262,500</b> | <b>54,960</b> | <b>317,460</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL****215 ND UNIVERSITY SYSTEM****Biennium: 2007-2009****Bill#: HB1003****Date: 12/13/2006****Time: 11:43:43**

|  |     |  |               |               |             |
|--|-----|--|---------------|---------------|-------------|
| <b>PROGRAM: STUDENT GRANT PROGRAMS</b> |     | <b>REPORTING LEVEL: 00-215-110-00-00-00-00000000</b> |               |               |             |
| Description                            | FTE | General Fund   | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                               |            |                  |               |               |                  |
|-------------------------------|------------|------------------|---------------|---------------|------------------|
| Cost To Continue              | .00        | 0                | 0             | 0             | 0                |
| 14 STUDENT FINANCIAL AID INCR | .00        | 2,850,000        | -8,000        | 54,960        | 2,896,960        |
| <b>Agency Total</b>           | <b>.00</b> | <b>2,850,000</b> | <b>-8,000</b> | <b>54,960</b> | <b>2,896,960</b> |

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## PROGRAM NARRATIVE

215 ND UNIVERSITY SYSTEM

Date: 12/13/2006

Time: 11:43:43

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|                                |   |
|--------------------------------|---|
| Program: SYSTEM GRANT PROGRAMS | Reporting Level: 00-215-120-00-00-00-00000000 |
|--------------------------------|---|

## PROGRAM PERFORMANCE MEASURES

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the six cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 6<sup>th</sup> annual accountability measures report is scheduled for completion in December 2006, and will be the most current information available to the 2007 Legislative Assembly.

This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

## PROGRAM STATISTICAL DATA

OPERATIONS POOL: Section 6 of HB1003 (2005) states, "the sum of \$388,559, or so much of the sum as may be necessary, included in the operations pool line item in subdivision 1 of section 3 of this Act, is to be allocated for system priorities as determined by the state board of higher education." As noted in the "Explanation of Program Costs," the SBHE approved an allocation of \$44,000 to ConnectND for ongoing maintenance, and recently approved a transfer of \$228,000 to the NDUS Office for additional costs associated with the new Chancellor.

CONTINGENCY AND CAPITAL IMPROVEMENTS EMERGENCY FUND: Allocations are made by the Board for unforeseen needs in such areas as research, staffing, grants, and capital emergencies. During the first year of the 2005-07 biennium, \$44,125 was allocated to MiSU, VCSU and MiSU-BC for disabled student services. The balance (\$452,357) will be utilized during the second year of the biennium to address unforeseen needs in such areas as research, staffing, grants, and capital emergencies.

TITLE II: Five proposals were submitted in 2002-03, and four projects (80%) were funded. The award per project ranged from a low of \$76,777 to a high of \$133,662. The projects funded included: North Dakota Mentoring Academy, ND Master Science Teacher Project, Teaching Contemporary Mathematics, and Rediscovering Excellence in Teaching through Research and Application. The same 4 projects were funded in 2003-04. The award per project ranged from a low of \$73,168 to a high of \$147,630. These 4 projects were funded for an additional two-year period, ending in 2005-06. For 2004-05, the awards ranged from a low of \$74,819 to a high of \$151,647 and from \$71,300 to \$144,520 for 2005-06. A new proposal period begins in 2006-07.

COMMON INFORMATION SERVICES (CIS): NDUS-CIS provides programs and services to all campuses of the NDUS, fortifying students, faculty and staff through strong links to evolving technologies and information. The 11 schools in the NDUS share networking, academic, administrative and general computing through the Higher Education Computer Network (HECN) and videoconferencing through the Interactive Video Network (IVN). They also share library services through the Online Dakota Information Network (ODIN) and links to online courses through the NDUS-Online. An annual report (entitled "*Back to the Future*" for FY05) is prepared at the end of each fiscal year by the CIO of the NDUS, that summarizes the activities and accomplishments of the NDUS-CIS. The FY05 annual report is currently available and the report for FY06 will be available later this year.

In cooperation with the State CIO and ETC Director, the NDUS CIO will be submitting the NDUS portion of the *State IT Plan* later this year, and it will also address the long-term strategic IT goals, objectives and activities of the NDUS-CIS, as well as the campus alignment plans.

**PROFESSIONAL LIABILITY INSURANCE:** The 2005 legislature included an appropriation of \$1.35 million in the NDUS office budget for UND's medical malpractice coverage premiums for the 2005-07 biennium. This appropriation was intended to pay the premium for continued coverage for student intern programs as well as UND's medical malpractice coverage (the student intern programs account for a very small part of the total cost), in addition to required coverage for a couple of other state agencies (state hospital and workforce safety and insurance).

The Med School has established a local fund to receive the payment from the NDUS of \$1,350,000 for the risk management funds appropriated by the 2005 North Dakota Legislature for the 2005-07 biennium. The fund will be used to pay for the professional liability premiums required for Med School faculty, post-graduate residents, and students as well as other NDUS programs requiring such coverage.

For the 2003-05 biennium, a total of \$1,850,000 was deposited. The premiums paid for 2003-05 was \$1,200,621 through June 30, 2005. The balance of \$649,379 was carried forward to 2005-07 for use exclusively to fund liability insurance premiums and possible deductible payments resulting from liability incidents. In FY06, the first installment of \$675,000 was transferred to the Med School, and liability insurance expenditures of \$551,564 were paid from the fund, leaving a present balance of \$772,815. The remaining amount from the 05-07 appropriation (\$675,000) will be transferred to the Med School in FY07. The 2006-07 insurance package is out on bid by North Dakota Risk Management. Funds remaining at June 30, 2007 will be carried forward to fund ongoing liability insurance costs.

**EPSCoR:** ND EPSCoR uses state-appropriated funds primarily to leverage competitive research and development EPSCoR grants from federal agencies, in order to further develop and expand the state's Science & Technology (S&T) research infrastructure. To a lesser extent, ND EPSCoR leverages private-sector funds that facilitate the transfer of university research to the private sector. The ability to build research infrastructure in the state is dependent upon the ability of ND EPSCoR to compete for the federal EPSCoR programs, and it is limited by the availability of state funds that can be used as match toward these programs.

ND EPSCoR currently participates in EPSCoR programs affiliated with the National Science Foundation (NSF), the National Institutes of Health (NIH), the National Aeronautics and Space Administration (NASA), the Environmental Protection Agency (EPA), the Department of Energy (DOE), and the Department of Defense (DOD) to implement a multi-faceted infrastructure development plan that:

- ☐ Increases the number of scientists and engineers engaged in research of national significance, who will then be able to compete effectively for merit-based external grants and contracts;
- ☐ Improves the productivity of these researchers as determined by standard benchmarks (e.g., number of grants submitted to external agencies, papers published in refereed journals, and M.S. and Ph.D. graduates in S&T areas);
- ☐ Increases the number of students involved in S&T research, particularly members of underrepresented groups (e.g., low income, first-generation college, women, American Indians);
- ☐ Fosters university-private sector partnerships and promotes the transfer of university research to the commercial sector.

North Dakota EPSCoR programs are open to all NDUS faculty and students. Many programs, including elements of the new NIH program, are aimed specifically at developing student-centered research opportunities at four-year comprehensive and liberal arts universities.

The effectiveness of the ND EPSCoR development plan is best indicated by the ability of EPSCoR-supported researchers to compete for external awards:

- ☐ For the period from 2002-2006, the investment of \$10.15M in appropriated funds to EPSCoR has resulted in \$74.5M in extramural principal investigator grants.
- ☐ Over the life of EPSCoR, 1986-2006, the state's investment of \$24.3M has resulted in \$154.4M in extramural grants.
- ☐ ND EPSCoR has provided research opportunities for over 1,233 students since 1992. Many of the students report that these "hands-on" experiences made them more "job ready," as well as more competitive for positions after graduation.
- ☐ Six agencies have partnered with ND EPSCoR: NSF, NIH, NASA, EPA, DOE, and DoD.

## EXPLANATION OF PROGRAM COSTS

OPERATIONS POOL: The 2007-09 general fund request is \$344,559, which is \$44,000 less than the funding that was provided in 2005-07. During 2005-06, the BHE approved the permanent allocation of \$44,000 to ConnectND for ongoing maintenance. The Board recently approved a transfer of \$228,000 to the NDUS Office for the costs of the new Chancellor. The individual that was appointed as Chancellor is also the current Vice Chancellor for Strategic Planning and Director of CTEC, and he will assume the role and duties of Chancellor in addition to his existing roles and duties as Vice Chancellor for Strategic Planning. The additional funds were needed to fund the incremental salary costs (difference between Chancellor and VC salary and benefits), sick and annual leave payout as of his expected retirement date of June 30, 2007, vehicle and housing allowance and partial backfill (30%) for the CTEC duties.

CONTINGENCY & CAPITAL IMPROVEMENTS EMERGENCY FUND: The requested funding of \$496,482 in 2007-09 is equivalent to the 2005-07 adjusted appropriation, including general fund carryover of \$59,559. During the first year of the 2005-07 biennium, \$44,125 was allocated to MiSU, VCSU and MiSU-BC for disabled student services. The balance will be utilized during the second year of the biennium to address unforeseen needs in such areas as research, staffing, grants, and capital emergencies.

TITLE II: Federal funding is projected to be stable for the Title II Program, and federal fund authority is requested at the same level as 2005-07, or \$695,600.

COMMON INFORMATION SERVICES (CIS): The funding for NDUS-CIS includes the general fund support for the operations of the NDUS Common Information Services (CIS), including Higher Ed Computer Network (HECN), Interactive Video Network (IVN), Online Dakota Information Network (ODIN) & links to online courses through the NDUS-Online. The total 2007-09 budget request equals \$33,984,293, which consists of 2005-07 base funding for the operations of the NDUS-CIS, totaling \$20,607,093, plus an increase of \$7,677,200 in the base budget request and \$5.7 million in the optional package. See narrative for budget change codes “*CIS and CND PRIORITIES, NTHN TIER NETWK MNT, OPT COLLAB PROJECT, OPT CAMPUS NETWORK REFURB and OPT NTHN TIER NETWORK*” for complete details of the increase.

PROFESSIONAL LIABILITY INSURANCE: The amount that is requested for 2007-09 is equal to the level of funding (\$1.35 million) that was provided in 2005-07 for UND’s medical malpractice coverage premiums and continued coverage for student internship programs.

EPSCoR: The 2007-09 general fund request of \$5,500,000 for EPSCoR is \$310,000 more than the 2005-07 appropriation. The National Science Foundation requires a dollar for dollar state match on all federal funds. The state funds are passed through to UND and NDSU to provide the match. UND and NDSU now receive the federal funds directly and therefore, the federal funds are not included in the NDUS Office budget request. This level of funding will generate an estimated \$15.45 million in federal and private funds for the 2007-09 biennium, and will maximize anticipated matching potential.

## PROGRAM GOALS AND OBJECTIVES

OPERATIONS POOL: The operations pool was created during the 2003 Legislative Session, and is used to address special operating needs of the campuses. Section 6 of HB1003 (2005) states, “the sum of \$388,559, or so much of the sum as may be necessary, included in the operations pool line item in subdivision 1 of section 3 of this Act, is to be allocated for system priorities as determined by the state board of higher education.”

CONTINGENCY & CAPITAL IMPROVEMENTS EMERGENCY FUND: To fund critical needs or opportunities that the Board and institutions had not contemplated during the legislative session, and to provide capital funds to be allocated by the Board to the campuses to address capital improvement emergencies, as they arise during the biennium.

TITLE II: A federally funded program to improve the quality of teaching and instruction in math and science in the United States. The NDUS Office distributes the federal funds on a competitive basis to institutions of higher education and organizations to provide services to elementary and secondary teachers to improve the teaching-learning process in mathematics and science. The ultimate goal is to improve both pedagogy and student performance.

COMMON INFORMATION SERVICES (CIS): The NDUS-CIS is comprised of the Higher Education Computing Network (HECN) (South Site) at North Dakota State University, (North Site) at the University of North Dakota, the HECN Finance and Administration Systems, and the HECN Student Information Systems, the Interactive Video

Network (IVN) and the Online Dakota Information Network (ODIN) which provide common services for the NDUS campuses. The CIS goals and objectives are included in the *“IT Capture Narrative-Agency Technology Goals and Objectives.”*

The funding for NDUS-Online is also included in the CIS pool. NDUS-O includes funding for the Distance Education Coordinator and for initiatives to fund various projects to support SBHE Long-Range Goal 4: Develop a delivery system capable of making the capacities of the NDUS accessible to all of North Dakota: (a) learning centers; (b) distance delivery; (c) collaborative delivery; and (d) duplicated programs where appropriate.

**PROFESSIONAL LIABILITY INSURANCE:** To provide funding for UND’s medical malpractice coverage, and continued coverage for student intern programs.

**EPSCoR:** EPSCoR: (Experimental Program to Stimulate Competitive Research) was created in 1979 in response to Congressional criticism that NSF was not fulfilling a requirement of its original act to strengthen scientific research throughout the country. The purpose of EPSCoR is to improve research in states that have historically fared poorly in their efforts to attain federal funding. The North Dakota EPSCoR program supports a three-fold mission:

- ☐ To be a driving force in the building of a strong research infrastructure throughout the State of North Dakota.
- ☐ To increase opportunities for North Dakota University System students and faculty to further develop their research capabilities.
- ☐ To develop strong linkages with business and industries in North Dakota.

The goals of ND EPSCoR are consistent with those of the NDUS Roundtable Report, and the multi-faceted infrastructure development plan outlined above collectively addresses the six cornerstones of the Roundtable. Specifically, with respect to Cornerstone 1: The Economic Development Connection, the Roundtable Report states “The research foundation on which entrepreneurial activity will necessarily be based must be expanded...To this end, the state should maximize the opportunities of EPSCoR funding available through Congress to assist in developing research and technology infrastructure...”

The ND EPSCoR goal is to obtain federal grants to enhance research infrastructure using state match to leverage federal dollars. Reduction in state match would result in ineligibility for applying for federal funds and the reduction of a number of key infrastructure programs.

Additional details can be found at <http://www.ndepscor.nodak.edu>.

**REQUEST DETAIL BY PROGRAM**

215 ND UNIVERSITY SYSTEM

Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

Time: 11:43:43

| Program: SYSTEM GRANT PROGRAMS           |                                       | Reporting Level: 00-215-120-00-00-00-00000000 |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                              | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>OPERATIONS POOL</b>                   |                                       |   |                             |   |                                  |
| TRANSFERS OUT                            | 578,417                               | 344,559                                       | 0                           | 344,559                                   | 0                                |
| <b>TOTAL</b>                             | <b>578,417</b>                        | <b>344,559</b>                                | <b>0</b>                    | <b>344,559</b>                            | <b>0</b>                         |
| <b>OPERATIONS POOL</b>                   |                                       |   |                             |   |                                  |
| GENERAL FUND                             | 578,417                               | 344,559                                       | 0                           | 344,559                                   | 0                                |
| FEDERAL FUNDS                            | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                            | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                             | <b>578,417</b>                        | <b>344,559</b>                                | <b>0</b>                    | <b>344,559</b>                            | <b>0</b>                         |
| <b>CONTINGENCY AND CAPITAL EMERGENCY</b> |                                       |   |                             |   |                                  |
| TRANSFERS OUT                            | 1,819,119                             | 496,482                                       | 0                           | 496,482                                   | 0                                |
| <b>TOTAL</b>                             | <b>1,819,119</b>                      | <b>496,482</b>                                | <b>0</b>                    | <b>496,482</b>                            | <b>0</b>                         |
| <b>CONTINGENCY AND CAPITAL EMERGENCY</b> |                                       |   |                             |   |                                  |
| GENERAL FUND                             | 363,045                               | 496,482                                       | 0                           | 496,482                                   | 0                                |
| FEDERAL FUNDS                            | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                            | 1,456,074                             | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                             | <b>1,819,119</b>                      | <b>496,482</b>                                | <b>0</b>                    | <b>496,482</b>                            | <b>0</b>                         |
| <b>TITLE II</b>                          |                                       |   |                             |   |                                  |
| OFFICE SUPPLIES                          | 0                                     | 173   | 0                           | 173                                       | 0                                |
| GRANTS, BENEFITS & CLAIMS                | 695,600                               | 695,427                                       | 0                           | 695,427                                   | 0                                |
| <b>TOTAL</b>                             | <b>695,600</b>                        | <b>695,600</b>                                | <b>0</b>                    | <b>695,600</b>                            | <b>0</b>                         |
| <b>TITLE II</b>                          |                                       |   |                             |   |                                  |
| GENERAL FUND                             | 0                                     | 0   | 0                           | 0   | 0                                |
| FEDERAL FUNDS                            | 695,600                               | 695,600                                       | 0                           | 695,600                                   | 0                                |
| SPECIAL FUNDS                            | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                             | <b>695,600</b>                        | <b>695,600</b>                                | <b>0</b>                    | <b>695,600</b>                            | <b>0</b>                         |
| <b>COMMON INFORMATION SERVICES</b>       |                                       |   |                             |   |                                  |
| TRANSFERS OUT                            | 18,555,783                            | 20,607,093                                    | 7,677,200                   | 28,284,293                                | 5,700,000                        |
| <b>TOTAL</b>                             | <b>18,555,783</b>                     | <b>20,607,093</b>                             | <b>7,677,200</b>            | <b>28,284,293</b>                         | <b>5,700,000</b>                 |

**REQUEST DETAIL BY PROGRAM**

215 ND UNIVERSITY SYSTEM

Biennium: 2007-2009

Bill#: HB1003

Date: 12/13/2006

Time: 11:43:43

| Program: SYSTEM GRANT PROGRAMS     |                                       | Reporting Level: 00-215-120-00-00-00-00000000 |                             |   |                                  |
|------------------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                        | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>COMMON INFORMATION SERVICES</b> |                                       |   |                             |   |                                  |
| GENERAL FUND                       | 18,555,783                            | 20,607,093                                    | 7,677,200                   | 28,284,293                                | 5,700,000                        |
| FEDERAL FUNDS                      | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                      | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                       | <b>18,555,783</b>                     | <b>20,607,093</b>                             | <b>7,677,200</b>            | <b>28,284,293</b>                         | <b>5,700,000</b>                 |
| <b>SPECIAL LINES</b>               |                                       |   |                             |   |                                  |
| CENTERS FOR EXCELLENCE             | 1,550,000                             | 0   | 0                           | 0   | 0                                |
| COMPETITIVE RESEARCH PROGRAM       | 4,750,000                             | 5,190,000                                     | 310,000                     | 5,500,000                                 | 0                                |
| EQUITY AND SPECIAL NEEDS POOL      | 0                                     | 0   | 0                           | 0   | 0                                |
| PROFESSIONAL LIABILITY INSURANCE   | 1,850,000                             | 1,350,000                                     | 0                           | 1,350,000                                 | 0                                |
| <b>TOTAL</b>                       | <b>8,150,000</b>                      | <b>6,540,000</b>                              | <b>310,000</b>              | <b>6,850,000</b>                          | <b>0</b>                         |
| <b>SPECIAL LINES</b>               |                                       |   |                             |   |                                  |
| GENERAL FUND                       | 8,150,000                             | 6,540,000                                     | 310,000                     | 6,850,000                                 | 0                                |
| FEDERAL FUNDS                      | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                      | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                       | <b>8,150,000</b>                      | <b>6,540,000</b>                              | <b>310,000</b>              | <b>6,850,000</b>                          | <b>0</b>                         |
| <b>PROGRAM FUNDING SOURCES</b>     |                                       |   |                             |   |                                  |
| GENERAL FUND                       | 27,647,245                            | 27,988,134                                    | 7,987,200                   | 35,975,334                                | 5,700,000                        |
| FEDERAL FUNDS                      | 695,600                               | 695,600                                       | 0                           | 695,600                                   | 0                                |
| SPECIAL FUNDS                      | 1,456,074                             | 0   | 0                           | 0   | 0                                |
| <b>PROGRAM FUNDING TOTAL</b>       | <b>29,798,919</b>                     | <b>28,683,734</b>                             | <b>7,987,200</b>            | <b>36,670,934</b>                         | <b>5,700,000</b>                 |
| <b>FTE EMPLOYEES</b>               | <b>.00</b>                            | <b>.00</b>                                    | <b>.00</b>                  | <b>.00</b>                                | <b>.00</b>                       |
| <b>FUNDING DETAIL</b>              |                                       |   |                             |   |                                  |
| <b>GENERAL FUND</b>                | <b>27,647,245</b>                     | <b>27,988,134</b>                             | <b>7,987,200</b>            | <b>35,975,334</b>                         | <b>5,700,000</b>                 |
| <b>FEDERAL FUNDS</b>               |                                       |   |                             |   |                                  |
| E002 TITLE II                      | 695,600                               | 695,600                                       | 0                           | 695,600                                   | 0                                |
| <b>TOTAL</b>                       | <b>695,600</b>                        | <b>695,600</b>                                | <b>0</b>                    | <b>695,600</b>                            | <b>0</b>                         |



|                                |                                       |   |                             |   |                                  |
|--------------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Program: SYSTEM GRANT PROGRAMS |                                       | Reporting Level: 00-215-120-00-00-00-00000000 |                             |   |                                  |
| Description                    | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

|                         |  |           |   |   |   |
|-------------------------|--|-----------|---|---|---|
| SPECIAL FUNDS           |  |           |   |   |   |
| 267 To Receive Download |  | 1,456,074 | 0 | 0 | 0 |
| TOTAL                   |  | 1,456,074 | 0 | 0 | 0 |

**CHANGE PACKAGE DETAIL****215 ND UNIVERSITY SYSTEM****Biennium: 2007-2009****Bill#: HB1003****Date: 12/13/2006****Time: 11:43:43**

| PROGRAM: SYSTEM GRANT PROGRAMS |     | REPORTING LEVEL: 00-215-120-00-00-00-00000000 |               |               |             |
|--------------------------------|-----|---|---------------|---------------|-------------|
| Description                    | FTE | General Fund                                  | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                           |            |                  |          |          |                  |
|---------------------------|------------|------------------|----------|----------|------------------|
| Cost To Continue          | .00        | 0                | 0        | 0        | 0                |
| 13 CIS and CND PRIORITIES | .00        | 6,777,200        | 0        | 0        | 6,777,200        |
| 16 EPSCoR INCR            | .00        | 310,000          | 0        | 0        | 310,000          |
| 18 NTHN TIER NETWK MNT    | .00        | 900,000          | 0        | 0        | 900,000          |
| <b>Agency Total</b>       | <b>.00</b> | <b>7,987,200</b> | <b>0</b> | <b>0</b> | <b>7,987,200</b> |

**OPTIONAL REQUEST**

|                              |            |                  |          |          |                  |
|------------------------------|------------|------------------|----------|----------|------------------|
| 20 OPT COLLAB PROJECT        | .00        | 1,000,000        | 0        | 0        | 1,000,000        |
| 21 OPT CAMPUS NETWORK REFURB | .00        | 2,000,000        | 0        | 0        | 2,000,000        |
| 22 OPT NTHN TIER NETWORK     | .00        | 2,700,000        | 0        | 0        | 2,700,000        |
| <b>Optional Total</b>        | <b>.00</b> | <b>5,700,000</b> | <b>0</b> | <b>0</b> | <b>5,700,000</b> |

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## PROGRAM NARRATIVE

215 ND UNIVERSITY SYSTEM

Date: 12/13/2006

Time: 11:43:43

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|                          |   |
|--------------------------|---|
| Program: SYSTEM PROJECTS | Reporting Level: 00-215-130-00-00-00-00000000 |
|--------------------------|---|

## PROGRAM PERFORMANCE MEASURES

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the six cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 6<sup>th</sup> annual accountability measures report is scheduled for completion in December 2006, and will be the most current information available to the 2007 Legislative Assembly.

This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

## PROGRAM STATISTICAL DATA

CAPITAL BOND PAYMENTS: This appropriation provides payments for bond indebtedness for the campuses.

BOARD INITIATIVE POOL: Through June 2006, the following allocations, totaling \$1,860,000, have been approved by the Board of Higher Education:

Permanent Base Allocations:

|           |                                  |
|-----------|----------------------------------|
| \$150,000 | UND – Alcohol Consortium         |
| 10,000    | UND – Arts and Humanities Summit |
| \$160,000 |                                  |

One-time Allocations:

|             |  |
|-------------|--|
| \$1,500,000 | Connect ND Solutions   |
| 200,000     | UND – Matching funds for ND Space Grant Consortium (Per HB1003, Sec 4) |
| \$1,700,000 |  |

|             |  |
|-------------|--|
| \$1,860,000 | Total Allocations Approved Through 6/30/06 |
|-------------|--|

## EXPLANATION OF PROGRAM COSTS

CAPITAL BOND PAYMENTS:

The amount to include in the budget request for capital bond payments was provided by the Industrial Commission, for scheduled payments during the 2007-09 biennium.

**BOARD INITIATIVE POOL:**

The 2007-09 budget request is \$3,141,174, which is \$1,415,000 higher than the 2005-07 adjusted budget of \$1,726,174, including 2003-05 carryover of \$1,174. The \$1,415,000 increase is part of the total increase needed for the NDUS to reach 21% of the state's budget. Increases are requested for the following:

- ☐ \$565,000 increased funding to address SBHE and statewide priorities, consistent with the recommendations of the Roundtable. (Please see the narrative for budget change code "*BOARD INITIATIVE FUNDING ENHANCEMENT*")
- ☐ \$700,000 to support a recruiting initiative for out of state/country students. (Please see the narrative for budget change code "*EXTERNAL STUDENT RECRUITING INITIATIVE*")
- ☐ \$150,000 for funds that would be allocated to campuses to help develop and start new academic programs which are needed to stimulate economic growth in the State. (Please see the narrative for budget change code "*NEW ACADEMIC START UP*")

**PROGRAM GOALS AND OBJECTIVES**

**CAPITAL BOND PAYMENTS:**

To provide payments for bond indebtedness for the campuses of the NDUS.

**BOARD INITIATIVE POOL:**

To provide funds in support of priorities/initiatives of the State Board of Higher Education.

**REQUEST DETAIL BY PROGRAM****215 ND UNIVERSITY SYSTEM****Biennium: 2007-2009****Bill#: HB1003****Date: 12/13/2006****Time: 11:43:43**

| Program: SYSTEM PROJECTS |                                       | Reporting Level: 00-215-130-00-00-00-00000000 |                             |   |                                  |
|--------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description              | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**CAPITAL ASSETS**

|                        |                   |                   |                  |                   |          |
|------------------------|-------------------|-------------------|------------------|-------------------|----------|
| LAND AND BUILDINGS     | 0                 | 0                 | 0                | 0                 | 0        |
| OTHER CAPITAL PAYMENTS | 10,604,322        | 14,278,141        | 1,850,000        | 16,128,141        | 0        |
| EXTRAORDINARY REPAIRS  | 0                 | 0                 | 0                | 0                 | 0        |
| <b>TOTAL</b>           | <b>10,604,322</b> | <b>14,278,141</b> | <b>1,850,000</b> | <b>16,128,141</b> | <b>0</b> |

**CAPITAL ASSETS**

|               |                   |                   |                  |                   |          |
|---------------|-------------------|-------------------|------------------|-------------------|----------|
| GENERAL FUND  | 10,604,322        | 12,998,391        | 2,100,000        | 15,098,391        | 0        |
| FEDERAL FUNDS | 0                 | 0                 | 0                | 0                 | 0        |
| SPECIAL FUNDS | 0                 | 1,279,750         | -250,000         | 1,029,750         | 0        |
| <b>TOTAL</b>  | <b>10,604,322</b> | <b>14,278,141</b> | <b>1,850,000</b> | <b>16,128,141</b> | <b>0</b> |

**SPECIAL LINES**

|                   |                |                  |                  |                  |          |
|-------------------|----------------|------------------|------------------|------------------|----------|
| BOARD INITIATIVES | 778,438        | 1,726,174        | 1,415,000        | 3,141,174        | 0        |
| <b>TOTAL</b>      | <b>778,438</b> | <b>1,726,174</b> | <b>1,415,000</b> | <b>3,141,174</b> | <b>0</b> |

**SPECIAL LINES**

|               |                |                  |                  |                  |          |
|---------------|----------------|------------------|------------------|------------------|----------|
| GENERAL FUND  | 778,438        | 1,726,174        | 1,415,000        | 3,141,174        | 0        |
| FEDERAL FUNDS | 0              | 0                | 0                | 0                | 0        |
| SPECIAL FUNDS | 0              | 0                | 0                | 0                | 0        |
| <b>TOTAL</b>  | <b>778,438</b> | <b>1,726,174</b> | <b>1,415,000</b> | <b>3,141,174</b> | <b>0</b> |

**PROGRAM FUNDING SOURCES**

|                              |                   |                   |                  |                   |          |
|------------------------------|-------------------|-------------------|------------------|-------------------|----------|
| FEDERAL FUNDS                | 0                 | 0                 | 0                | 0                 | 0        |
| GENERAL FUND                 | 11,382,760        | 14,724,565        | 3,515,000        | 18,239,565        | 0        |
| SPECIAL FUNDS                | 0                 | 1,279,750         | -250,000         | 1,029,750         | 0        |
| <b>PROGRAM FUNDING TOTAL</b> | <b>11,382,760</b> | <b>16,004,315</b> | <b>3,265,000</b> | <b>19,269,315</b> | <b>0</b> |

**FTE EMPLOYEES**

|     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|
| FTE | .00 | .00 | .00 | .00 | .00 |
|-----|-----|-----|-----|-----|-----|

**FUNDING DETAIL**

|                     |                   |                   |                  |                   |          |
|---------------------|-------------------|-------------------|------------------|-------------------|----------|
| <b>GENERAL FUND</b> | <b>11,382,760</b> | <b>14,724,565</b> | <b>3,515,000</b> | <b>18,239,565</b> | <b>0</b> |
|---------------------|-------------------|-------------------|------------------|-------------------|----------|

| Program: SYSTEM PROJECTS |                                       | Reporting Level: 00-215-130-00-00-00-00000000 |                             |   |                                  |
|--------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description              | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

| SPECIAL FUNDS                       |          |                  |                 |                  |          |
|-------------------------------------|----------|------------------|-----------------|------------------|----------|
| 340 HIGHER ED SPECIAL REV FUND 215F | 0        | 1,279,750        | -250,000        | 1,029,750        | 0        |
| <b>TOTAL</b>                        | <b>0</b> | <b>1,279,750</b> | <b>-250,000</b> | <b>1,029,750</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL****215 ND UNIVERSITY SYSTEM****Biennium: 2007-2009****Bill#: HB1003****Date: 12/13/2006****Time: 11:43:43**

|                                 |  |              |               |               |             |
|---------------------------------|--|--------------|---------------|---------------|-------------|
| <b>PROGRAM: SYSTEM PROJECTS</b> | <b>REPORTING LEVEL: 00-215-130-00-00-00-00000000</b> |              |               |               |             |
| Description                     | FTE  | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|   |            |                  |          |                 |                  |
|---|------------|------------------|----------|-----------------|------------------|
| Cost To Continue                          | .00        | -12,998,391      | 0        | -1,279,750      | -14,278,141      |
| 1 CAPITAL BOND PAYMENTS                   | .00        | 15,098,391       | 0        | 1,029,750       | 16,128,141       |
| 15 BOARD INITIATIVE FUNDING ENHANCEMENT   | .00        | 565,000          | 0        | 0               | 565,000          |
| 17 EXTERNAL STUDENT RECRUITING INITIATIVE | .00        | 700,000          | 0        | 0               | 700,000          |
| 19 NEW ACADEMIC START UP                  | .00        | 150,000          | 0        | 0               | 150,000          |
| <b>Agency Total</b>                       | <b>.00</b> | <b>3,515,000</b> | <b>0</b> | <b>-250,000</b> | <b>3,265,000</b> |